



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 27, 2005

### **H.R. 3897**

### **Madera Water Supply and Groundwater Enhancement Project Act**

*As ordered reported by the House Committee on Resources on November 16, 2005*

#### **SUMMARY**

H.R. 3897 would authorize the Bureau of Reclamation to participate in the study, design, and construction of an underground water storage facility in cooperation with the Madera Irrigation District in California. The federal share of the cost of the feasibility study could not exceed 50 percent; and the federal share of potential costs for the facility could not exceed 25 percent.

Assuming appropriation of the necessary funds, CBO estimates that implementing H.R.3897 would cost \$12 million over the 2006-2010 period. Enacting this bill would not affect direct spending or revenues.

H.R. 3897 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The bill would authorize the design and construction of water projects that would benefit the Madera Irrigation District. Any costs that the district might incur, including matching funds, would result from complying with conditions for receiving federal assistance.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 3897 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2006	2007	2008	2009	2010
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Estimated Authorization Level	1	4	3	3	1
Estimated Outlays	1	3	3	3	2

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 3897 will be enacted near the start of calendar year 2006 and that the necessary amounts will be appropriated over the 2006-2010 period. Based on historical spending patterns of similar projects, CBO estimates that implementing this bill would cost \$12 million over that period.

H.R. 3897 would authorize the Bureau of Reclamation to construct a water recharge and recovery system for the Madera Irrigation District in central California's San Joaquin Valley. The legislation would limit the federal cost shares to 50 percent of the total cost of the study and 25 percent of the project's total cost. According to the Bureau of Reclamation, the total cost of the study and project would be about \$41 million with a total federal cost of about \$12 million. Based on information from the bureau, CBO expects that it would take approximately five years to complete the project. (The feasibility study would likely be completed over the next two years, with construction beginning in 2007 or 2008, assuming that the study results in a decision to proceed.) For this estimate, CBO assumes that funds will be appropriated in installments over the next five years to complete the project.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 3897 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would authorize the design and construction of water projects that would benefit the Madera Irrigation District. Any costs the district might incur, including matching funds, would result from complying with conditions for receiving federal assistance.

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